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THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1554.
FILED, JUNE 1st. 1967.

TERRITORY MINING COMPANY LIMITED (No Personal Liability)

Name changed from Eastern Metals Corporation Limited by Supplementary
Full corporate name of Company Letters Patent, July 2, 1959.
Incorporated under Part I of the Quebec Mining Companies Act by Letters
Patent, August 31, 1951.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to
previous Filing Statement
No. 1043

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	<p>Amalgamation pursuant to Agreement dated May 25, 1967, with Cable Mines and Oils Limited into ST. FABIEN COPPER MINES LIMITED.</p> <p>In summary the Amalgamation Agreement provides:</p> <ol style="list-style-type: none"> 1. That the objects of the amalgamated company shall be the same as those of Territory Mining Company Limited. 2. That the capital of the amalgamated company shall be \$8,000,000.00 divided into 8,000,000 common shares with a par value of \$1.00 each. 3. That the presently issued and outstanding shares of the Company and Cable shall be converted on a share for share basis into shares of St. Fabien Copper Mines Limited. 4. That the head office of the amalgamated company shall be 758 Berri Street, Montreal, P.Q. 5. That the board of directors of the amalgamated company shall consist of five members. 6. That all the assets of the Company and Cable, subject to all the respective liabilities of the Company and Cable, shall be contributed to St. Fabien Copper Mines Limited. 7. That the by-laws of Territory shall be the by-laws of St. Fabien. <p>The carrying out of the above amalgamation is subject to the approval of the shareholders of the Company and Cable.</p>
2. Head office address and any other office address.	<p>758 Berri Street, Montreal, Quebec. Executive Office: Room 1101, 62 Richmond St. West., Toronto 1, Ontario.</p>
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<p>President & Director - F. T. Pearce, 105 Poplar Plains Road, Toronto. Mining Executive.</p> <p>Vice-Pres. & Director - W. D. Pearce, 758 Berri St. Montreal, Quebec. Executive.</p> <p>Sec.-Treas. & Director - M. C. Johnston, 20 Madawaska St., Toronto. Secretary</p> <p>Director - R. A. C. Dingman, 25 Elgin Av., Toronto. Sales Executive</p> <p>Director - R. H. Wright, 112 Laurel Ave., Toronto, Ontario. Accountant.</p>
4. Share capitalization showing authorized and issued and outstanding capital.	<p>Authorized capital - 5,000,000 shares. \$1 par value Issued capital - 2,063,563 fully paid and non-assessable shares</p>
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Nil
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	None.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	None
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	<p>Upon finalization of the amalgamation of the Company with Cable Mines and Oils Limited as St. Fabien Copper Mines Limited, St. Fabien Copper Mines Limited will proceed with the preliminary operations on the mining claims for which Territory holds Development Licences in Rolette Township, in the Province of Quebec, all pursuant to the recommendations of Theodore Koulomzine, Consulting Engineer, Geologist and Geophysicist, contained in his report dated July 22nd, 1966, a copy of which has been filed with the Toronto Stock Exchange.</p>

FINANCIAL STATEMENTS

O. JOHN SHORE, B.COMM.
CHARTERED ACCOUNTANT

TELEPHONE EMPIRE 2-2781

1005 NATIONAL TRUST BUILDING
7 KING STREET EAST
TORONTO 1, ONTARIO

TO THE DIRECTORS
AND SHAREHOLDERS OF
TERRITORY MINING COMPANY LIMITED:

I have examined the balance sheet of Territory Mining Company Limited as at March 31, 1967 and the statements of deferred administrative and development expenses, surplus and source and application of funds for the three months ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion, the accompanying balance sheet presents fairly the financial position of the Company as at March 31, 1967 and the results of its operations and the source and application of its funds for the three months ended on that date, in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year.

O. J. Shore

MAY 26, 1967,
TORONTO, ONTARIO.

O. JOHN SHORE,
CHARTERED ACCOUNTANT.

TERRITORY MINING COMPANY LIMITED

BALANCE SHEET AS AT MARCH 31, 1967

ASSETS

Current

Cash	\$	902.95	
Investments at cost (quoted market value \$ 9,495.00)		19,579.73	
Accounts receivable		845.66	
Supplies at estimated value		<u>12,940.00</u>	\$ 34,268.34

Fixed

Mining claims at cost	\$	114,937.00	
Buildings, machinery and equipment at net cost		<u>237,014.79</u>	351,951.79

Deferred

Organization expense	\$	8,187.46	
Development and administrative expenses deferred		<u>2,259,505.86</u>	<u>2,267,693.32</u>
			<u>\$2,653,913.45</u>

LIABILITIES

Current

Accounts payable	\$	4,645.77
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Capital stock and surplus

Capital stock:			
Authorized -			
5,000,000 shares of \$1.00 par value			
Issued -			
2,063,563 shares	\$	2,063,563.00	
Discount on shares		<u>753,603.35</u>	
	\$	1,309,959.65	
Surplus (statement attached)		<u>1,339,308.03</u>	<u>2,649,267.68</u>
			<u>\$2,653,913.45</u>

APPROVED ON BEHALF OF THE BOARD:

[Signature], Director
[Signature], Director

TERRITORY MINING COMPANY LIMITED

STATEMENT OF DEFERRED ADMINISTRATIVE AND DEVELOPMENT EXPENSES

MARCH 31, 1967

Balance - December 31, 1966 \$ 2,256,367.28

Development

Taxes,rentals etc.	\$	716.78
Insurance		185.20
Engineer's expenses		53.18
Wages		450.00
Unemployment insurance		6.48
	\$	1,411.64

Administrative

Government and stock exchange fees	\$	205.81
Legal and audit		150.00
Salaries		1,275.00
Rent		120.00
General		1.00
Telephone		10.68
Canada pension plan		22.95
	\$	1,785.44
Less investment income		58.50
		<u>1,726.94</u>
		<u>3,138.58</u>

Balance - March 31, 1967 \$ 2,259,505.86

SURPLUS ACCOUNT

Balance - December 31, 1966 \$ 1,339,705.87

Loss on sale of investments 397.84

Balance - March 31, 1967 \$ 1,339,308.03

TERRITORY MINING COMPANY LIMITED

SOURCE AND APPLICATION OF FUNDS

FOR THREE MONTHS TO MARCH 31, 1967

Source of funds

Cash in bank - December 31, 1966	\$	240.65
Sale of investments		3,800.88
Income from investments		58.50
		<u>\$ 4,100.03</u>

Application of funds

Development and Administrative expenses as per schedule	<u>3,197.08</u>
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Bank balance - March 31, 1967 \$ 902.95

Development & Administrative expenses

Development		
Taxes,rentals etc.	\$	716.78
Insurance		185.20
Engineer's expenses		53.18
Wages		450.00
Unemployment insurance		6.48
	\$	1,411.64
Administrative		
Government and stock exchange fees	\$	205.81
Legal and audit		150.00
Salaries		1,275.00
Rent		120.00
General		1.00
Telephone		10.68
Canada pension plan		22.95
		<u>1,785.44</u>
	\$	<u>3,197.08</u>

There have been no Material Changes in the Items on the
Balance Sheet of Territory Mining Company Limited, between
March 31st, 1967, and May 31st, 1967; other than the
Company sold 10,500 shares of Cable Mines and Oils Limited
for \$1,206.24 on May 26th, 1967.

Approved on behalf of the Board.

Director.

Director.

TERRITORY MINING COMPANY LIMITED

SUITE 1101, 62 RICHMOND ST. WEST,
TORONTO, ONTARIO

LIST OF SECURITIES AS AT DECEMBER 31ST, 1966.

		<u>BOOK VALUE</u>	<u>MARKET PRICE</u>
29,500	Cable Mines & Oils Ltd.	\$3658.29	\$2360.00
\$3,000	Can. Breweries Bonds 5½% '89	2899.58	\$2625.00
1,500	Conkey Mines	433.68	135.00
500	Int. Commercial Discount	3832.50	125.00
\$3,000	Int. Commercial Discount 7½% '75	2994.49	1500.00
\$6,000	Int. Commercial Discount 6½% '77	5502.66	558.00
38,750	Lingside Copper Mining Co., Limited	2401.25	1356.25
\$2,000	Trans Canada Pipelines 5.85% '87	2257.50	1740.00
2,000	Wilson Red Lake Gold Mines Limited	40.00	
		<hr/> \$24019.95 <hr/>	<hr/> \$15421.25 <hr/>

LIST OF SECURITIES AS AT MARCH 31ST, 1967.

		<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
10,500	Cable Mines & Oils Ltd.	\$1,475.57	\$1,365.00
\$3,000	Canadian Breweries Bonds 5½% '89	2,899.58	2,640.00
1,500	Conkey Mines	433.68	165.00
500	Int. Commercial Discount	3,832.50	175.00
\$3,000	Int. Commercial Discount 7½% '75	2,994.49	\$1,500.00
\$6,000	Int. Commercial Discount 6½% '77	5,502.66	2,100.00
38,750	Lingside Copper Mining Co. Limited	2,401.25	1,550.00
2,000	Wilson Red Lake Gold Mines Limited	40.00	
		<hr/> \$19,579.73 <hr/>	<hr/> \$9,495.00 <hr/>

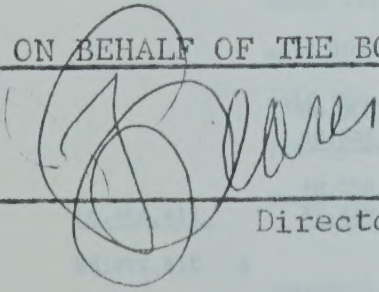
SCHEDULE "A" (Continued)

TERRITORY MINING COMPANY LIMITED

Summary of Investment Securities Traded
February 25th, 1964, to May 31st, 1967.

		<u>Bought</u>	<u>Sold</u>
\$3,000	Interprovincial Comm. Disc. 6 3/4% '77	\$ 2,991.53	
\$3,000	" " " 7 1/2% '75	2,994.49	
\$3,000	" " " 6 1/2% '77	2,586.98	
150	Quebec Natural Gas 6% pfd.	15,042.50	16,249.00
700	Opemiska	6,585.00	5,873.00
200	Steel Company of Canada	4,835.00	5,026.00
200	Westcoast Transmission	3,460.00	3,738.00
\$3,000	Canadian Breweries 5 1/2% '89	2,899.58	
200	Northern Telephone	1,990.00	2,800.00
\$18,000	National Containers	17,716.52	17,997.81
400	Great Lakes Paper	10,215.00	9,720.00
500	Brazilian	3,012.50	3,645.00
68,000	Cable Mines & Oils Ltd.		8,655.67
\$6,000	Trans Canada Pipelines.	6,171.94	5,774.10
100	Home Oil "A"	1,880.00	2,156.50
		<hr/>	<hr/>
		\$82,381.04	\$81,635.08
Trading Losses - 1964-1965-66 - net.			6,074.59
Balance - February 25th, 1964.		24,099.96	
Balance - May 31st, 1967.			18,771.33
		<hr/>	<hr/>
		\$106,481.00	106,481.00
		<hr/>	<hr/>

APPROVED ON BEHALF OF THE BOARD



Director



Director

AUDITOR'S REPORT TO THE SHAREHOLDERS

I have examined the balance sheet of Cable Mines & Oils Limited as at December 31, 1966 and the statements of deficit and exploration and administrative expenses for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion, the accompanying balance sheet and statements of deficit and exploration and administrative expenses present fairly the financial position of the company as at December 31, 1966 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

O. J. Shore

MARCH 8, 1967,
TORONTO, ONTARIO.

O. JOHN SHORE,
CHARTERED ACCOUNTANT

CABLE MINES & OILS LIMITED

BALANCE SHEET AS AT DECEMBER 31, 1966

Assets

Current

Cash	\$	15,604.56	
Due from a director		512.81	
Marketable securities - at cost (market value \$ 88,170.00)		109,856.89	
Accounts receivable		<u>2,843.12</u>	\$ 128,817.38

Investment in subsidiary

Cable American Mines and Oils Corporation	482.50
<u>Patented Mining claims - at cost</u>	<u>89,000.00</u>
	\$ 218,299.88

Liabilities

Current

Accounts payable	\$	3,823.05
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Capital stock less deficit

Capital stock:

Authorized - 5,000,000 shares - par value \$1.00	
Issued - 2,936,370 shares	\$ 2,936,370.00
Discount on shares	<u>2,245,946.99</u>
	690,423.01
Less deficit (statement attached)	<u>475,946.18</u>
	\$ 214,476.83
	\$ 218,299.88

APPROVED ON BEHALF OF THE BOARD:

[Signature], Director

[Signature], Director

CABLE MINES & OILS LIMITED

STATEMENT OF EXPLORATION AND ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1966

Exploration

Mining licences, taxes	\$	227.58	
Engineering		<u>303.32</u>	\$ 530.90

Administrative

Directors' fees	200.00	
Canada pension plan	75.60	
Legal and audit	900.00	
Licences and fees	538.53	
General expense	465.71	
Rent	480.00	
Salaries	5,400.00	
Shareholders' information	907.21	
Telephone	240.40	
Toronto Stock Exchange	399.07	
Transfer agents	509.58	
Travel	<u>1,013.89</u>	

	11,129.99	
Less investment income	<u>2,728.85</u>	<u>8,401.14</u>

<u>Carried to Deficit Account</u>		\$ <u>8,932.04</u>
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DEFICIT ACCOUNT

<u>Deficit - January 1, 1966</u>	\$ 471,435.89
Exploration and administrative expenses for 1966	8,932.04
Profit on sale of investments	<u>(4,421.75)</u>
<u>Deficit - December 31, 1966</u>	<u>\$ 475,946.18</u>

CABLE MINES & OILS LIMITED

AND ITS WHOLLY OWNED SUBSIDIARY

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE THREE MONTHS ENDED MARCH 31, 1967

Source of funds

Cash in bank - December 31, 1966	\$ 19,385.07	
Income from investments	<u>1,791.60</u>	\$ 21,176.67

Application of funds

Purchase of investments	\$ 19,060.37	
Administrative expenses-see below	<u>2,835.65</u>	<u>21,896.02</u>

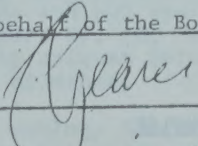
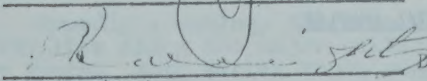
<u>Bank overdraft - March 31, 1967</u>		\$ <u>719.35</u>
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Administrative expenses

Canada pension plan	\$ 18.90
Travel	279.57
Legal and audit	385.00
Licences and fees	87.80
Miscellaneous	118.05
Shareholders information	35.28
Salary	1,350.00
Share issue expense	100.00
Telephone	111.12
Transfer agent	229.93
Rent	<u>120.00</u>
	<u>\$ 2,835.65</u>

There have been no Material Changes in the items on the Balance Sheet of Cable Mines and Oils Limited, between March 31st, 1967, and May 31st, 1967, other than the Company sold 100 shares Steel Company of Canada for \$2,418.00, and sold 200 Preston Mines Limited for \$2,938.00 on April 25th, 1967. Also, the Company bought 100 shares Lake Dufault Mines Limited for \$1,287.50 on April 25th, 1967.

Approved on behalf of the Board.

 Director.
 Director.

ST. FABIEN COPPER MINES LIMITED

PRO FORMA BALANCE SHEET AS AT MARCH 31, 1967

Assets

Current assets

Cash	\$	183.60	
Marketable securities at cost (market value \$ 139,021.00)		163,968.33	
Accounts receivable		6,388.84	
Due from a director		512.81	
Supplies at estimated value		<u>12,940.00</u>	\$ 183,993.58

Fixed assets

Mining claims at cost		203,937.00	
Buildings, machinery and equipment at net cost		<u>237,014.79</u>	<u>440,951.79</u>
			\$ 624,945.37

Liabilities

Current liabilities

Accounts payable			\$ 8,486.32
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Capital stock less deficit

Capital stock -			
Authorized -			
8,000,000 shares of \$1.00 par value each (See Note 1)			
Issued -			
4,999,933 shares	\$	4,999,933.00	
Less discount on shares		<u>2,999,550.34</u>	
		2,000,382.66	
Less deficit (statement attached)		<u>1,446,259.85</u>	
		554,122.81	
Capital surplus		<u>62,336.24</u>	<u>616,459.05</u>
			\$ 624,945.37

ST. FABIEN COPPER MINES LIMITED

NOTES TO THE PRO FORMA BALANCE SHEET

The proposed new company, formed by the amalgamation of Cable Mines & Oils Limited and Territory Mining Company Limited is based upon the following:

- 1) the exchange of one (1) new share for each, existing issued share of the amalgamating companies.
- 2) the write-off to deficit from the accounts of Territory Mining Company Limited of \$ 2,259,505.86 for development and administration expenses incurred to March 31, 1967 in conformity with the accounting practice of Cable Mines & Oils Limited and the write-off of organization expenses formally deferred by both amalgamating companies.

ST. FABIEN COPPER MINES LIMITED

STATEMENT OF DEFICIT AS AT MARCH 31, 1967

Development and administrative expenses - Territory Mining Co. Ltd.	\$	2,259,505.86
Organization - Territory Mining Co. Ltd.		8,187.46
Organization - Cable Mines & Oils Ltd.		66.68
Deficit - Cable Mines & Oils Ltd.		<u>517,807.88</u>
		\$ 2,785,567.88
Less - Surplus - Territory Mining Co. Ltd.		<u>1,339,308.03</u>
<u>Deficit - March 31, 1967</u>	\$	<u>1,446,259.85</u>

STATEMENT OF CAPITAL SURPLUS

Balance - Cable Mines & Oils Ltd.	\$	62,336.24
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ENGINEER'S REPORT

B. & ING. EN.S.P.
15 & STRASBOURG UNIVERSITIES
PROFESSIONAL ENGINEER - QUEBEC
1888 C.I.M.; A.I.M.E.; E.F.C.; E.I.C.
1909 O.A.C.

THEODORE KOULOMZINE

CONSULTING MINING ENGINEER
GEOLOGIST AND GEOPHYSICIST

VAL D'OR, P. Q. OFFICE
1203, 7TH STREET P. O. BOX 680
T. KOULOMZINE
APT. 8
3470 RIDGEWOOD AVE.
MONTREAL 28

Report on the Property of
TERRITORY MINING COMPANY LIMITED
Rolette Twp., Montmagny Co., Quebec.
By T. Koulomzine, L.Sc., P.Eng.

July 22, 1966.

INTRODUCTION

Territory Mining Co. Ltd. owns in Rolette Twp. a mining property which was discovered in 1951 and developed underground by the Eastern Metals Corp. Limited in the years 1953-56. In July 1959 the company was renamed Territory Mining Co.

A substantial deposit containing both medium grade copper and low grade nickel mineralization was outlined by diamond drilling and underground workings which extend to a depth of 1,153 ft. Official estimates place reserves at 389,380 tons averaging 0.91% nickel and 956,262 tons averaging 1.52% copper plus 0.15% nickel. Approximately 90% of this ore falls into the classification of "measured ore".

Only secondary openings, such as ore passes, remain to be driven to prepare the underground mine for full production. However, on surface the plant has to be rehabilitated and crushing and milling units, as well as a flotation concentrating plant, must be built.

The fall of the price of copper in the latter part of 1956 delayed the bringing of the property to the production stage; the mine was permitted to flood and a few large items, including the hoist and the compressor, were disposed of.

The gradual increase of the price of copper on the world market, which took place in recent years, makes the deposit of Territory Mining considerably more attractive; and the object of the present report is to reappraise the economic value of the property and recommend a new programme of work, the ultimate goal of which would be the bringing of the mine to the production stage at the earliest possible date.

LOCATION OF PROPERTY AND MINERAL RIGHTS

The property of Territory Mining Co. Ltd. is located 60 miles east-southeast from Quebec City, approximately 10 miles from the U.S. border. It is in a sparsely settled agricultural district, well-served by roads. Labour, timber and water are readily available. A transmission line brings hydro-electric power to the mining plant where transformers have been installed.

The mining rights are held under 14 Development Licenses renewable from year to year. Sufficient assessment work has been done to fulfil legal requirements and keep the ground in good standing for many years to come. The Development Licenses cover 35 mining claims numbered:

C-38530	Cl 1-4	C-55070	Cl 1-3
C-53504	Cl 1-4	C-55071	Cl 1&2
C-53505	Cl 1&2	C-55079	Cl 1-4
C-53506	Cl 1&2	C-107416	Cl 1&2
C-55050	Cl 1&2	C-107417	Cl 1&2
C-55059	Cl 1&2	C-107418	Cl 1&2
C-55060	Cl 1&2	C-107419	Cl 1&2

The property occupies lots 4 to 30 inclusive of Range VI, Rolette Twp. and totals approximately 2,867 acres.

The validity of the mining rights and their proper registration in the name of Territory Mining has been verified by the undersigned.

GEOLOGY

The general geology of the district is presented on Map No. 1097, "St-Magloire Area", and No. 1065, "Geology of Eastern Metals Corporation Limited Mine Area", which are drawn respectively to scales of 1 mile and 400 feet to the inch and are attached to the Geological Report No. 76, "St-Magloire and Rosaire-St-Pamphile Areas", prepared by Jacques Béland and issued in 1957 by the Quebec Department of Mines.

Broadly speaking, the area of the Territory Mining Co. property lies along the major contact between Cambrian and Ordovician rocks. Both series known respectively as the Caldwell and the Beauceville groups are complexes of sandstones and slates interstratified with some basic volcanics. However, volcanics predominate in the Caldwell and slates in the Beauceville group.

A number of intrusive masses, formed mainly of serpentinite, occur along the contact between the Cambrian and the Ordovician. The known Territory Mining base metal deposit, which actually consists of two distinct ore masses, lies in the Ordovician slates, either in contact with, or in the immediate vicinity of one of these serpentinite intrusives. There is little doubt that the base metal mineralization has its source in the serpentinite, and the key to the discovery of more ore at the property lies in the search for additional intrusive masses and in the investigation of the contact zones of these intrusives.

It appears unnecessary to give here the details of the economic geology of the base metal deposit of Territory Mining. This has been ably done by Jacques Béland in the Geological Report No. 76 of the Quebec Department of Mines where the description is given under the heading of Eastern Metals Corp. Limited, pages 34-41 inclusive, of the English version of the report. The only special features I wish to emphasize is that the deposit is apparently hydrothermal and was formed by ascending mineral-bearing solutions derived probably from deeper seated parts of the serpentinite rather than from the intrusives at the contact of which the ore is found. The mineral assemblage in the deposit is complex and somewhat unusual. In particular, nickel is present essentially in the form of millerite instead of the more common pentlandite and nickeliferous pyrrhotite.

DEVELOPMENT WORK AND ORE RESERVES

In the years 1953-56 a very large amount of diamond drilling followed by underground developments of eight levels was done. In addition to that, three drill holes were bored between December 1960 and August 1964.

The following summary outlines all the development work done to date on the Territory property. Most of the figures are quoted from the Annual Report of Operations at the Eastern Metals Corporation Limited for the year ending Dec. 31st 1956. This report was prepared by Douglas Parent, P.Eng., manager.

<u>Diamond Drilling</u>	<u>No. of Holes</u>	<u>Footage</u>
surface drilling	195	77,529
underground drilling	<u>735</u>	<u>86,330</u>
Totals:	930	163,859

Underground Workings

shaft, depth	1,153
shaft pockets, stations, and slashes	828
drifts, crosscuts, and slash equivalents	14,063
raises and slash equivalents	3,045
draw points and stope preparation	525

The above workings, which cost close to 2 million dollars, resulted in the outline ore reserves, calculated as follows by D. Parent, P.Eng., mine manager:

956,262 tons	Copper ore averaging 1.52% Cu and 0.15% Ni
389,380	" Nickel " " " 0.91% Ni

The undersigned studied the maps and cross-sections of the mine and concurs with the above ore reserve estimates.

It should be emphasized:

- 1) that 90% of the above tonnage represents "measured ore".
- 2) that the tonnage in sight is sufficient to feed a 500 tons per day mill for 7 years or 700 tons per day for 5 years.
- 3) that the incomplete development work on the two lower levels outlined ore progressively higher grade in copper:
between levels 6-7 90,240 tons 2.10% Cu and 0.18% Ni
between " 7-8 34,160 " 3.60% Cu and 0.15% Ni

METALLURGY

The problem of determining the value of the ores outlined at Territory depends essentially on two factors:

- 1) on the price of metals, over which the company has no control, but the general trends of which can be predicted with a certain degree of probability
- 2) on the metallurgy, i.e. the technique of producing suitable concentrates of copper and nickel to be shipped to various smelters.

First of all, it must be emphasized that there are two main deposits at Territory - one containing mostly copper with minor amounts of nickel and zinc and the other containing mostly nickel with very little copper. These deposits are sufficiently far apart (400 ft.) to be mined separately and the ores, being different, will have to be treated in separate milling circuits. It should be pointed out, however, that both operations can be performed in the same flotation mill, with the same equipment, the necessary changes being effected by altering only the flow and by using different flotation reagents.

The metallurgy of copper ore is well-known and rather simple. Although the undersigned failed to find any specific information on metallurgical tests of the copper ore of Eastern Metals, there is no doubt that concentrates containing about 25% copper with mill recoveries running in excess of 90% will be achieved.

It is my opinion that the 0.15% nickel contained in the copper ore will either be non-recoverable, if it is locked up in insoluble minerals, or will pass into the pyrite concentrate from which it could be extracted in the nickel circuit of the mill, adding about one dollar per ton to the value of the ore. It is questionable whether it will be worthwhile to try to recover the small amount of zinc found in the ore.

Laboratory and pilot plant tests on the copper ore of Territory should be undertaken as soon as the mine is dewatered.

A considerable amount of work has been done in the past in order to determine the metallurgy of the nickel ore of Territory. First of all, there exists a comprehensive report, dated Sept. 3, 1954, prepared at the Laval University by Guy Paré, P. Eng. In addition to that, several hundred tons were treated at the Ascot Metals Corp. mill in July-August 1956. The results of the tests performed at the Ascot mill were not presented in any formal report and are only partly tabulated in long hand notes.

These studies show that a concentrate containing approximately 10% nickel can be obtained in a simple flotation circuit, the over-all recovery being 82%. These studies also indicate that a large proportion of nickel remains in the pyrite concentrate. It is the writer's opinion that further metallurgical investigations comprising a regrinding of the nickel-pyrite concentrates would lead to a better separation of nickel and pyrite, and result in better recovery and the up-grading of the nickel concentrate. Such an achievement would be of considerable economic importance to the company as smelter and freight charges would be reduced and the cash yield of the ore increased.

New metallurgical tests on the nickel ore of Territory Mining should be undertaken as soon as possible after the dewatering of the mine. However, if copper prices remain at the exceptionally high level they presently enjoy, priority should be given to the testing of the copper ore.

A perusal of old assay results shows that small values in platinum and palladium are found in the ore. However, there seems to have been no systematic studies of the distribution of these precious metals and, therefore, it is impossible to state whether these metals are present in economic concentrations.

VALUE OF THE ORE

In order to properly estimate the operating profits the mine will make, it is necessary to determine what will be the cash inflow to the mine as the result of the sale of its concentrates. This is not an easy task. The copper market is rather complicated and unstable. Furthermore, until additional metallurgical tests are completed, it is not possible to evaluate the smelter and freight charges per ton of ore mined or obtain adequate quotations from nickel smelters.

To illustrate the prevailing situation in the copper market the following facts may be cited. The official domestic price of copper in Canada is 45¢. However, Noranda exports to Europe, and sells for 75¢, 40% of the copper originating from the various mines that ship concentrates to the Noranda smelter. Chile exports all its copper at 70¢ (U.S.) per pound. The latest market quotations in London varied between 77¢ and 79¢ (Can.) per pound, while the European price based on the average of actual sales early in July was 68¢ (Can.).

If Territory Mining will start producing a year from now, settlements will be based on copper prices from three to six months after the first delivery is made to the smelter.

Finally, it should be emphasized that the Canadian Government requires mines to obtain a permit to export copper concentrates from Canada. It is not certain whether Territory will be able to secure such a permit; however, an application for an export permit should be filed by the Company stressing the following points:

- 1) that the mine is only a potential medium-grade producer, which in order to start operating should be allowed to benefit from the best prices obtainable, and
- 2) that it is located only 60 miles from Quebec City - an ocean port - from where ocean freight to Europe is lower than freight to Noranda.

The price of copper one, two, or three years from now is not easy to predict. It may be assumed that a certain easing of the extreme present shortage of copper will take place in a few months. However, it should be emphasized that 40% of the Free World copper comes from three countries: Chile, Zambia, and the Congo. The political situation in two of them - Zambia and Congo - is unstable and confused, while the Chilean Government continuously clamors for higher prices. Considering the above factors, it may be surmised that the price of copper should not drop below 40¢ a pound domestically and 50¢ in Europe and other points outside of North America. There is a good probability that the copper prices will remain much higher.

In order to illustrate the value of the ore at different prices of copper, two tables are presented hereafter. These tables allow not only for the fluctuations of the price of copper, but also for the variations of grade of ore milled, allowing on one hand for possible dilution in the course of mining, and on the other hand for milling higher grades if such ore will be opened up, as expected, in the lower levels of the mine.

Table No. I

Estimated copper ore returns to mine if concentrates are shipped to Noranda.

Varying grades of ore milled:	<u>1.25% Cu</u>	<u>1.52% Cu</u>	<u>1.75% Cu</u>
Varying prices of copper received by the "Noranda Pool":	Cash received by mine recalculated on the basis of dollars per ton milled:		
\$ 0.35/lb.	\$ 5.65	\$ 6.88	\$ 7.94
\$ 0.40/lb.	\$ 6.75	\$ 8.24	\$ 9.50
\$ 0.45/lb.	\$ 7.87	\$ 9.59	\$11.20
\$ 0.50/lb.	\$ 8.95	<u>\$10.89</u>	\$12.54
\$ 0.55/lb.	\$10.03	\$12.19	\$14.25

Calculation Factors: Smelter charge - \$12.00/ton of concentrate
 Freight & trucking - \$12.00/ton of concentrate
 Smelter loss: 1 unit, i.e. 1% Cu off the grade of concentrate
 Concentrate grade-25% Cu.
 Mill recovery 90%.
 Settlement at price of Cu less 3.5¢ for refining and marketing.

Table No. II

Estimated copper ore returns to mine on basis of shipments of concentrates to Europe or Japan.

Varying grades of ore milled:	<u>1.25% Cu</u>	<u>1.52% Cu</u>	<u>1.75% Cu</u>
Varying prices of copper:	Cash received by mine recalculated on basis of dollars per ton milled:		
\$ 0.50/lb.	\$ 8.60	\$10.48	\$12.05
\$ 0.55/lb.	\$ 9.75	\$11.83	\$13.61
\$ 0.60/lb.	\$10.80	\$13.10	\$15.08
\$ 0.65/lb.	\$11.86	<u>\$14.41</u>	\$16.57
\$ 0.70/lb.	\$13.00	\$15.74	\$18.12

Calculation Factors: Smelter charge & freight & handling charges - \$26.00/ton of concentrate
 Smelter loss: 1 unit, i.e. 1% Cu off the grade of concentrate
 Concentrate grade 25% Cu.
 Mill recovery 90%.
 Settlement at price of Cu less 4.5¢ for refining and marketing.

In contrast with the copper situation, it is pleasing to note that nickel enjoys a stable market with only occasional regular price increases reflecting, more or less, the increase of the cost of living and the expansion of the use of nickel in stainless steels and various alloys. The present price of 84¢ per pound may be considered stable. Possible fluctuations downwards should definitely not exceed 5¢ and, in all probability, within the next few years there will be further increases in the price of nickel.

The value of the nickel ore to be mined at Territory will depend almost exclusively on the grade of the concentrates that the company's mill will be able to turn out. Table No. III shows the cash values to be received by the company for its nickel ore and the effects caused on one hand by the varying degrees of concentration and on the other hand by the fluctuations of the grade of ore fed to the mill.

Table No. III

Estimated cash returns to mine for the sale of Nickel concentrates on basis of shipment to the Falconbridge Smelter.

Grade of concentrates obtained at mine mill:	<u>8% Ni</u>	<u>10% Ni</u>	<u>12% Ni</u>	<u>15% Ni</u>
Grade of ore fed to mill:	Yield received by mine per ton mined:			
0.15% Ni	\$ 1.16	\$ 1.29	\$ 1.38	\$ 1.61
0.80% Ni	\$ 6.21	\$ 6.91	\$ 7.37	\$ 8.59
0.91% Ni	\$ 7.06	\$ 7.86	\$ 8.39	\$ 9.80
1.00% Ni	\$ 7.76	\$ 8.64	\$ 9.21	\$10.75
1.25% Ni	\$ 9.68	\$10.84	\$11.50	\$13.45

Basis of Calculation: Ni price 84¢ per lb.
 Mill recovers 82%, last column 90% recovery
 Smelter loss: 1 unit
 Smelter charge: \$15.00/ton
 Freight & trucking: \$13.00/ton
 Refining & marketing estimated: 10¢/lbs of metal

MINING AND MILLING COSTS

In view of the fact that 5-7 years of ore are already in sight and fully developed at the mine, it will not be absolutely necessary to try and develop new ore until sufficient operating profits are earned to pay off the cost of putting the mine into production. Therefore the estimates of costs given below are for direct mining and milling only, and are exclusive of development. When the newly invested pre-production expenses are paid off, say after the first 2 to 4 years of production, there will still be sufficient time to proceed with further underground development of new ore. This development may be estimated to cost \$2.00 per ton milled.

On the basis of published operating costs of 12 Canadian mines having ore deposits somewhat similar in size and nature to the Territory deposits, I estimate operating costs at Territory to be as follows:

- 1) Mining, exclusive of development - \$4.25 per ton
- 2) Milling and concentrating - \$1.75 per ton
- Total mine costs - \$6.00 per ton milled

ESTIMATE OF OPERATING PROFITS

Assuming that the grade of ore milled will correspond to the average estimated in the Parent report and that the prices of metals will be 50¢/lb. for copper (partly domestic and partly export), and 84¢ for nickel, the operating profit gained will come out to:

- Copper ore, without nickel recovery - \$4.89 per ton
- Copper ore, provided nickel recovered - \$6.18 per ton
- Nickel ore, provided concentrates shipped will grade 10% Ni - \$1.86 per ton
- Nickel ore if concentrates will grade 15% Ni - \$3.80 per ton

On the basis of these figures the total value of the operating profit that may be gained by the mining out of the ore reserves should amount to between -

\$5,400,000 and \$7,389,000

It should be emphasized that the above figures are only estimates, based on 3 assumptions:

- 1) that the mine will be able to export at least part of its concentrates to Europe or Japan either directly or through sales of the "Noranda Pool".
- 2) that the domestic copper price will not decrease below 40¢ per pound and the European-Japanese market will not drop below 55¢-60¢ per pound.
- 3) that the nickel ore will produce concentrates grading between 10 and 15% Ni.

If all the copper produced at Territory could be sold in Europe at today's market prices, the total operating profit gained from the ore reserves would amount to approximately -

\$9,300,000

On the other hand, it should be pointed out that any drop in the price of copper below 35¢ will make it necessary to confine mining to the higher grade sections of the mine. This could be achieved by reducing copper ore reserves to about 750,000 tons.

The fact that the copper and nickel ore bodies are separate represents a definite advantage to the Company, as mining operations can be switched from one ore body to another to take advantage of the best market conditions.

COST OF BRINGING THE MINE TO PRODUCTION

The programme necessary to put the Territory mine into production can be divided into two major steps:

- 1) Preliminary operations and studies which have to be done before any major construction is undertaken, and
- 2) Mining preparations and mill construction.

The preliminary operations must include:

- 1-a) Rehabilitation of the mining plant
- 1-b) Dewatering the mine workings
- 1-c) Geological re-study of the mine, including an extensive check-sampling operation
- 1-d) Mining out two bulk samples, of say 300 tons each, from the copper and nickel ore zones.
- 1-e) Extensive metallurgical studies to devise two adequate interchangeable flow sheets to treat alternatively either the copper or the nickel ore.
- 1-f) Crosscutting to establish drilling stations and underground diamond drilling of the area below the present ore bodies to explore the downward extension of the copper zone.

In order to rehabilitate the mine plant it is necessary to replace the hoist, hoisting ropes, sheave wheels and the compressor - all items that were sold after the closing of the mine in 1957.

The above equipment is quoted as follows:

	<u>New</u>	<u>Second hand</u>
1 Hoist	\$90,000	\$25,000
2 Mine Ropes	2,500	
2 Sheave Wheels	2,000	
1 Compressor	15,300	10,000
Welding and other Miscellaneous equipment	4,000	
	<u>\$113,800</u>	

The installation of the above equipment would cost approximately \$30,000.

Fortunately the hoist and compressor can be purchased second hand. This will reduce the cost of rehabilitating the plant to about \$75,000.

Calculations indicate that the mine workings contain 7,100,000 gallons of water. The bailing and/or pumping will lift approximately 800 to 1,000 gallons per minute; however, the influx of water into the mine is estimated at 300 gallons per minute; therefore, the net dewatering will be at the rate of 500 gallons per minute and will require 14,200 minutes of continuous pumping, i.e. 10 days.

The direct cost of this operation will amount to \$20.00 per hour, i.e. \$4,800. An additional \$2,200 may be spent in the preparation and erection of the dewatering set up. Total cost - \$7,000.

It is my considered opinion that a complete re-study of the geology of the mine, and especially of the mineral associations present, is necessary for the proper selection of representative metallurgical bulk samples and for the future development of the mine. This study should be accompanied by a systematic resampling of the ore bodies to be done by the channel sampling technique. Estimated cost - \$7,000.

The mining of two bulk samples of 300 tons each, crushing them and shipping to metallurgical plants will take 2-3 weeks and cost \$10,000.

Metallurgical studies should be made concurrently at at least two, better three, research metallurgical plants. I recommend that the facilities of the Quebec Department of Natural Resources plant, in Quebec City, and those available at the Ecole Polytechnique, in Montreal, be used. The studies should be aimed at devising the best flow sheets to treat the two types of ore and, in particular, to solve the problems of:

- a) the extraction of the 0.15% Ni contained in the copper ore,
- b) the upgrading of the nickel concentrate to 15% Ni, or better,
- c) the separation of the nickel and the pyrite concentrates.

The metallurgical test may take 2-3 months and easily cost \$25,000.

The driving of 500ft. of crosscuts to establish underground diamond drilling stations can be estimated at \$20,000. The relatively high cost of \$40 per foot is due to the fact that the surface plant will be running to support only two development headings.

The total cost of underground diamond drilling, with two machines working simultaneously, is estimated at \$3.00 per foot. An adequate programme would consist of 12 to 16 holes totalling 8,400 ft. Overall cost - \$25,000.

Management, engineering and consulting services for a year, including the preparation of a comprehensive report after the completion of the metallurgical tests, are estimated at \$30,000.

All the expenditures enumerated above, forming the first step of bringing the mine into production, amount to \$199,000. Head office expenses and unforeseen items will undoubtedly increase the total to \$210,000.

The second step of bringing the mine into production should consist of:

- a) driving ore passes between the levels,
- b) installing an underground crusher and cutting out loading pockets for skips,
- c) increasing the compressed air capacity of the plant,
- d) building the surface crushing plant and the flotation mill.

The detailed study of these items does not enter into the scope of the present report. As a matter of fact, it is practically impossible to plan the milling set up, the size of the mill, and the size of the equipment to be used in the mill before obtaining the results of the metallurgical tests outlined above under the heading of preliminary operations. For instance, the number and size of grinding units will depend on 3 factors, all of them still undetermined:

- 1) the grindability factor of the ore
- 2) the flow sheet
- 3) the fineness of grind that will be required in order to separate the copper, the nickel and the pyrite minerals contained in the ore.

Douglas Parent in his report to the end of the year 1956 made an estimate for bringing the mine into production, amounting to \$1,215,000. However, he apparently was counting on the acquisition of a second hand mill which may not be easy to find nowadays. Without going into further details, I estimate that the final preparations in the mine and the constructions outlined above would cost somewhere in between \$1,500,000 - \$2,000,000. These are very approximate figures and are cited here only for the purpose of guiding eventual financial negotiations and for the purpose of comparison with the estimated operating profits.

CONCLUSIONS AND RECOMMENDATIONS

The present appears to be the most auspicious time to bring the Territory Mining copper-nickel deposits into production. In fact, both copper and nickel prices are high with the nickel stable and the copper prices expected to remain at high levels.

Preliminary calculations presented in this report show that the new capital expenditures required to put the mine into operation will be easily repaid from production, leaving a substantial profit of several million dollars.

As a first step of attaining the production goal, I strongly recommend that the company obtain, as speedily as possible, necessary funds to implement a programme estimated to cost \$210,000. This programme includes the crucial item of final metallurgical tests which should serve as a basis for establishing the flow sheets and determining more accurately the cash inflow that can be expected from the sale of concentrates.

The programme also involves underground drilling below the bottom level. It must be pointed out here that this drilling could, if necessary, be postponed until senior financing for mill construction is obtained. On the other hand, if the drilling proves successful in indicating the presence of copper ore having a grade higher than the mine average to date, the intrinsic value of the property would be further increased.

I finally recommend that even before preliminary operations start, the company take an option or purchase claims to the northwest, northeast and southeast of the mine. These claims have favourable geology. However, I suggest that the systematic exploration of these claims, as well as the completion of the surface drilling programmes at the east end of the Territory property, be postponed until after the recommendations listed under items I-a - I-f are carried out.

Upon the completion of the programme of \$210,000, recommended in this report, it will be wise to re-study once more the economics of the project before the senior financing is sought for the construction of the crushing, milling, and the concentrating plants.

Theodore Koulomzine

TO WHOM IT MAY CONCERN

This is to certify that I, the undersigned, Theodore Koulomzine, residing at 3470 Ridgewood Ave., Montreal 26, and having my place of business at 218 - 9th Street, Val d'Or, Que., am a consulting mining engineer, geologist, and geophysicist.

THAT I graduated from Paris University (Sorbonne) in 1928 with a degree of Licencié ès Sciences, and from Strasbourg University in 1929 with a degree of Ingénieur E.N.S.P. That at present I am an Associate Professor on the staff of the Department of Geology at the Ecole Polytechnique, University of Montreal.

THAT I am a member of the Corporation of Engineers of the Province of Quebec, duly licensed to practice the engineering profession in this province. That I am also a member of the Canadian Institute of Mining and Metallurgy and a Fellow of the Geological Association of Canada as well as a member of the American Institute of Mining, Metallurgical & Petroleum Engineers and of the Society of Exploration Geophysicists.

THAT I have no direct or indirect interest, either present, past, or expectant, in the shares, holdings and the mining properties of the Territory Mining Co.

THAT the attached "Report on the Property of Territory Mining Co., Rolette Twp., Quebec", dated July 22, 1966, is based:

1. On a thorough knowledge of the economic geology of the area, gained while I personally performed or directed several geophysical surveys in the district and in particular those carried out on the Territory Mining property.

2. On the examination of the underground workings of Territory Mining Co., which was made in September 1954, prior to the curtailment of the underground operations and the flooding of the mine.

3. On the thorough study of all the maps, cross-sections and diamond drill logs of the property as well as on all available documents concerning the preliminary metallurgical tests performed on the mine ore.

THAT I have visited the property on numerous occasions in the years 1951-52, in 1954 and in 1961-64.

THAT during my last visit to the property, on July 16-17, 1966, I carefully examined the mine plant and machinery.

Dated in Montreal, P.Q.,
this twenty-second day of July 1966.

Theodore Koulomzine

THEODORE KOULOMZINE

CONSULTING MINING ENGINEER
GEOLOGIST AND GEOPHYSICIST

VAL D'OR, P. Q. OFFICE
1263, 7TH STREET P. O. BOX 880
PHONES OFF.: 4-6295; RES.: 4-2127

T. KOULOMZINE
APT. 8 — 3470 RIDGEWOOD AVE.
MONTREAL 26, QUE.

TO WHOM IT MAY CONCERN

This is to certify that I, the undersigned, Theodore Koulomzine, consulting mining engineer and Associate Professor on the staff of the Department of Geological Engineering at the Ecole Polytechnique, University of Montreal, have today carefully restudied a report prepared by me, dated July 22, 1966, and entitled "Report on the Property of Territory Mining Company Limited, Rolette Twp., Montmagny Co., Quebec".

As a result of this study, I wish to state that since the date of the preparation of the above-mentioned report there have been no material changes that could have affected my general conclusions and recommendations.

In particular:

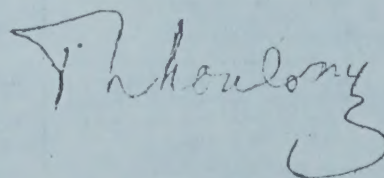
1. No work has been done on the property and no changes affecting the status of our knowledge have occurred during the year;

2. Although the copper prices have dropped below the peak values attained last summer, they remain (at 47¢/lb domestically and 53¢ in London) well above my estimation appearing on page 7: "Considering the above factors, it may be surmised that the price of copper should not drop below 40¢ a pound domestically and 50¢ in Europe and other points outside of North America." On the other hand, the price of nickel, which was estimated to remain stable at 84¢, actually has risen since last year to 92¢.

All in all, it appears that the estimated operating profits will not change more than a few cents per ton from the figures provided on page 10 of my report.

I strongly recommend that the programme outlined in my 1966 report, estimated to cost \$210,000.-, which essentially includes the dewatering of the shaft, the restudying of the geology of the mine and metallurgical studies on two 300-ton bulk samples be carried out and strictly adhered to.

Dated in Montreal, P. Q.,
this fourth day of June 1967.



10. Brief statement of company's chief development work during past year.	No development work has been done during the past year.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	None
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	None
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	None
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>Lingside Copper Mining Company Limited, Rm. 1101, 62 Richmond Street West., Toronto 1, Ontario. 172,500</p> <p>Davidson & Company, 25 Adelaide Street West, Toronto 1, Ontario. 130,580</p> <p>Doherty, Roadhouse & McCuaig Bros., 335 Bay Street, Toronto, Ontario. 101,184</p> <p>J. H. Crang & Co., 20 King Street West, Toronto 1, Ontario. 70,753</p> <p>James Richardson & Sons, 8 King Street West, Toronto 1, Ontario. 70,445</p> <p>The Company is unaware of the names of the beneficial owners of the aforesaid shares except that Lingside Copper Mining Company Limited owns beneficially the 172,500 shares set out above.</p>
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	So far as can be ascertained, no-one can materially affect control of the Company except F. T. Pearce, 105 Poplar Plains Road, Toronto, who is President of the Company and of Lingside Copper Mining Company Limited. F. T. Pearce as President of Territory Mining Company Limited may solicit proxies from the shareholders of Territory.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	See Schedule "A" on pages 4 and 5.
18. Brief statement of any lawsuits pending or in process against company or its properties.	None
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>No other material facts.</p> <p>No shares are in primary distribution.</p>

CERTIFICATE OF THE COMPANY

DATED May 30th, 1967

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"F.T. Pearce"

President

CORPORATE
SEAL

"M.C. Johnston"

Secretary

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)